

REMARKS

Claims 1-2, 5-23, and 37-50 are pending in the application. By this paper, claims 1, 15-16, 19, 37, and 44-45 have been amended and claim 38 has been canceled. No new matter is added by these amendments. Reconsideration and allowance of the application in light of the amendments and arguments herein is respectfully requested.

35 U.S.C. § 101 Rejections

According to the present Office Action, claims 1-18, 22-23, and 37-43 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter, such as an abstract idea, and is not directed to a practical application of such judicial exception. The Applicants, however, understand the current test as recently set forth by the U.S. Court of Appeals for the Federal Circuit is that claimed subject matter (1) be tied to a particular machine or apparatus; or (2) transform a particular article into a different state or thing. *In re Bilski*, 545 F.3d 943, 952 (Fed. Cir. 2008). “[W]e also conclude that the ‘useful, concrete and tangible result’ inquiry is inadequate and reaffirm that the machine-or-transformation test outlined by the Supreme Court is the proper test to apply.” *Id.* at 960-961.

Unless *Bilski* is modified by the Supreme Court, the Applicants are required to meet the *Bilski* machine-or-transformation test. Claims 1 and 37, as amended, meet the *Bilski* test by tying the subject matter of the claim to a server having a processor and computer storage. Part of the methods of claims 1 and 37 also occur over a network. No new matter is added by this amendment, which is supported by the text and drawings of the application as filed, including for example, account management server 206. Accordingly, amended claims 1 and 37 recite statutory subject matter, as do claims 2-18, 22-23, and 36-42 by virtue of their dependency from claims 1 or 37.

35 U.S.C. § 103 Rejections

Claims 1, 2, 5-8, 13-21, 23, 37-39, and 44-50 stand rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 6,269,361 ("Davis") in view of U.S. Patent No. 7,225,151 ("Konia"). The cited references fail to disclose or suggest all of the claim features, as amended. The Applicants will not repeat every argument made in their previous responses, the latest of which is dated January 15, 2009 ("Last Response"), but continue to rely on those arguments here to the extent they still apply.

Claim 1: Davis fails to disclose or suggest "receiving [] from the advertiser a bid cap [] for each of a plurality of selected listings" and "reordering [] the selected search listings in accordance with each respective bid cap and bid amount." The Office Action cites to "authorized amount" in Davis for "bid cap." Col. 16, line 35 – Col. 17, line 8. This "authorized amount," however, refers back to another passage in Davis, namely: "The validation step functions as follows. If payment is to be debited from an advertiser's external account, payment may be authenticated, authorized and completed using the system set forth in U.S. Pat. No. 5,724,424 to Gifford." Col. 15, lines 21-25. Gifford is drawn to a computerized payment system for executing payment orders using a merchant computer that talks to a bank's computer to transfer funds. Specifically, Gifford says that "[p]ayment orders are backed by accounts in the banking system, and are authorized by the network payment system by sending messages into a financial authorization network that knows the status of these accounts. The payment system accomplishes settlement by sending messages into an existing financial system network." This language from Gifford helps to explain the "authorized amount" in Davis, as discussed below.

The cited passages in Davis refers to "pending funds" that have (or have not) been allocated to an advertiser's account, which is broken into subaccounts. Col. 16, line 23 - Col. 7, line 9. The subaccounts also include certain current balances as having already received allocated funds. The pending funds cannot be included in a subaccount balance until, for instance, transfer and settlement thereof from a bank's computer. The settlement process described in Gifford thus completes the financial

transaction, or fund allocation, being authorized "by the network payment system [by] sending messages into a financial authorization network that knows the status of these accounts." Accordingly, "the authorized amount" referred to in Davis refers to the transfer of funds from an advertiser's external bank account into the advertiser's advertising account after being authorized by an external financial authorization network to make the transfer.

In the discussion of "authorized amount" in the cited references, there is no mention of a bid cap received from an advertiser for each of a plurality of selected search listings or that the selected listings are reordered in accordance with each respective bid cap and bid amount. Indeed, any authorization of funds is by a third party financial authorization network (not by the advertiser) and those funds are allocated to subaccounts that pay for any number of bids for search listings. That is, the allocated funds are not applied to specific search listings as is required with reference to the bid caps recited in claim 1.

Davis also fails to disclose or suggest "if a tie condition makes a desired rank unavailable for a respective search listing, incrementing by the server a bid amount for the respective search listing to break the tie condition such that the respective search listing is ranked higher than the search listing with which the respective search listing previously had the same bid amount." The added language was to clarify the incrementing steps taken if a tie condition is found.

The Office Action cites to Davis, claim 19 and to FIG. 8 (display user entered bid changes) and element 830. FIG. 8 discloses a method by which advertisers change bids. As conceded in paragraph 22 of the Office Action, the process of adjusting bids in Davis is not automated. The only mention of addressing a tie is with respect to equivalent bid amounts as recited in claim 19 of Davis. Claim 19, however, discloses use of creation time values for each search result list having equivalent bid amounts, and sorting the listings in order from earliest to most recent creation time value. This does not, in contrast with claim 1, disclose that a bid amount of one of the search listings be incremented in order "to break the tie condition such that the respective search listing is ranked higher than the search listing with which the respective search

listing previously had the same bid amount.” If the search listing in Davis had a later creation time value, it would not be ranked higher and Davis does not disclose or suggest how it could be ranked higher, but merely discloses a method that may be used for sorting a search result list having equivalent bid amounts. Without disclosing how a bid amount of the search listing could be adjusted so that the search listing could be ranked higher in the case of a tie condition, Davis also fails to disclose or suggest how to meet the desired rank of the search listing in this scenario.

Konia fails to fill the gap in disclosure of Davis. It does not address tie conditions or the case when bid amounts may be equivalent. Even if the method of claim 19 of Davis were automated according to the system and method of Konia, it would still fail to disclose or suggest all of the claim features. Claim 1 is patentable over Davis in view of Konia, alone or as combined, for at least the above reasons. Likewise, claims 2, 5-18, and 22-23 are patentable by virtue of their dependency from claim 1.

Claim 19: Davis and Konia also fail to disclose or suggest, alone or as combined, all of the features of claim 19 for at least the same reasons discussed with reference to claim 1. For instance, claim 19 recites “bid cap” as well as:

the second program code further to determine if a tie condition makes a desired rank unavailable for a respective search listing, and if so, to increment a bid amount for the respective search listing to break the tie condition such that the respective search listing is ranked higher than the search listing with which the respective search listing previously had the same bid.

Konia fails to fill the gap in disclosure of Davis as discussed above. For at least this reason, claim 19 is patentable over the cited art, alone or as combined. Likewise, claims 20-21 are patentable by virtue of their dependency from claim 19.

Claim 37: Davis and Konia also fail to disclose or suggest, alone or as combined, all of the features of claim 37 for at least the same reasons discussed with reference to claim 1. For instance, claim 37 recites “a bid cap” as well as:

if a tie condition makes a desired rank unavailable for a respective search listing, incrementing by the server a bid amount for the respective search listing to break the tie condition such that the respective search listing is ranked higher than the search listing with which the respective search listing previously had the same bid amount.

Konia fails to fill the gap in disclosure of Davis as discussed above.

Furthermore, claim 37 recites:

receiving [] from the advertiser a bid cap and a desired rank for each of a plurality of selected search listings, the selected search listings being designated premium search listings by enabling the advertiser to limit the desired rank to one of **a predetermined small number of positions near the top of the search result list**.

(emphasis added). The Office Action cites to Davis, column 5, line 35 to column 6, line 15 for the feature drawn to "premium search listings." The Office Action also states in paragraph 12 of page 4 that "Davis discloses that a preferred number of 40 premium (paid) search listings will appear." Col. 18, lines 28-30. This adds nothing to what is stated in the Abstract. The Applicants desire to clarify that "premium search listings" are not all paid search listings, but as recited, are limited to "a predetermined small number of positions near the top of the search result list," e.g., the top-most positions. While columns 5 and 6 in Davis disclose that search listings having a higher ranked value are advantageously placed due to having higher bids, Davis does not disclose or suggest "enabling the advertiser to limit the desired rank to one of a predetermined small number of positions near the top of the search result list" (emphasis added). Konia has varying definitions of "premium" and fails to fill the gap in disclosure of Davis discussed above. Claims 45 and 49 are also patentable for at least the same reasons.

For at least these reasons, claim 37 is patentable over Davis in view of Konia. Likewise, claims 37-43 are patentable by virtue of their dependency from claim 37.

Claim 44: Davis and Konia also fail to disclose or suggest, alone or as combined, all of the features of claim 44 for at least the same reasons discussed with reference to claim 1. For instance, claim 44 recites a "bid cap" as well as:

determining if a tie condition makes a desired rank unavailable for a respective selected search listing, and if so, to increment a bid amount for the respective selected search listing to break the tie condition such that the respective search listing is ranked higher than the search listing with which the respective search listing previously had the same bid amount.

Konia fails to fill the gap in disclosure of Davis as discussed above. Claim 44 is patentable over the cited art, alone or as combined, for at least the same reasons as discussed with reference to claim 1.

Claim 45: Davis and Konia also fail to disclose or suggest, alone or as combined, all of the features of claim 45 for at least the same reasons discussed with reference to claims 1 and 37. For instance, claim 45 recites a "bid cap" as well as:

if a tie condition in the rank order makes a desired rank unavailable for a specified search listing, increment a bid amount for the specified search listing to break the tie condition such that the respective search listing is ranked higher than the search listing with which the respective search listing previously had the same bid amount.

Konia fails to fill the gap in disclosure of Davis as discussed above.

Furthermore, claim 45 recites "some of the search listings being designated premium search listings if ranked within a top predetermined small number of the search listings" similar to claim 37. Claim 45 also recites:

upon receipt of a new bid amount and desired rank for a search listing **designated as a premium search listing**, to automatically adjust the respective bid amount of the specified search listing until the rank of the specified search listing in the rank order of search listings is greater than the desired rank or until the respective bid amount of the specified search listing is less than the new bid amount.

(emphasis added). Claim 45 further recites that "the produced search results ***includ[e] one or more premium search listings*** for display to the affiliate web site searcher ranked near the top of the produced search results in accordance with the desired rank" (emphasis added). Similar to claim 37, Davis in view of Konia fails to disclose or suggest "designated premium search listings" specifically as recited. Furthermore, claim 45 requires the automatic adjustment of the respective bid amount of the specified

search listings "until the rank of the specified search listing in the rank order of search listings is greater than the desired rank or until the respective bid amount of the specified search listing is less than the new bid amount." The Office Action does not say how either Davis or Konia discloses or suggests these features, and thereby fails to make out a prima facie case of obviousness under § 103(a). The Applicants respectfully submit that neither Davis nor Konia, alone or combined, disclose or suggest these features.

Accordingly, for at least the above reasons, claim 45 is patentable over Davis and Konia, either alone or as combined. Likewise, claims 46-50 are patentable by virtue of their dependency from claim 45.

Certain dependent claims are believed to be patentable for at least the following additional reasons:

Claim 14: Davis and Konia also fail to disclose or suggest, alone or as combined, all of the features of claim 14. The Office Action cites to column 14, lines 9-20 of Davis. This passage, however, makes general reference to notification, with a specific implementation being when an advertiser's rank changes due to being outbid by another advertiser. It does not, however, make mention or suggest providing an error message if a desired rank is not equal to one of rank 1, rank 2, and rank 3. Konia fails to fill this gap in disclosure.

Claim 15: The Office Action lumps in rejection of claim 15, without specifically pointing to how the cited art discloses the claim language, with rejection of claims 1 and 19. Neither Davis nor Konia, alone or as combined, disclose or suggest all of the features of claim 15. Claim 15 recites: "receiving a single desired rank for all search listings of an advertiser; and adjusting, simultaneously, the respective bid amounts for all search listings according to the desired rank and the bid cap" (emphasis added). As discussed, Davis does not disclose or suggest "a bid cap," and neither Davis nor Konia discloses or suggests simultaneously adjusting all of the search listings of an

advertiser, as recited. Similarly, claim 21, which depends from claim 19, is patentable over the cited art for at least the same reason.

Claim 16: Davis and Konia also fail to disclose or suggest, alone or as combined, all of the features of claim 16. The Office Action cites to the preamble of claim 30 of Davis, but this passage merely discloses updating information of a search listing within a generated search results list. Claim 30 of Davis fails to specifically recite reception of a single desired rank for a displayed page of search listings of an advertiser that is then used to adjust the respective bid amounts for all of the search listings on the displayed page. Konia fails to fill the gap.

Claim 21: Davis and Konia also fail to disclose or suggest, alone or as combined, all the features of claim 21. For instance, claim 21 recites “the second page fill text box to receive data corresponding to the bid cap for all search listings displayed on the page.” Claim 21 is patentable for the same reasons discussed with reference to claims 15 and 16 as it recites a fill text box to receive data corresponding to the bid cap for all the displayed search listings.

Claim 48: Davis and Konia also fail to disclose or suggest, alone or as combined, all the features of claim 48, which recites “wherein the account management server is further configured to identify exceptions conditions after adjusting the respective bid amount of the specified search listing and, if an exception condition is identified, to return the specified search listing to the search engine database unchanged.” The Office Action cites to Davis, column 6, lines 32-34 for disclosure of these features. Neither Davis nor Konia, however, disclose or explain the use of exception conditions after adjustment of a bid amount “to return the specified search listing to the search engine database unchanged.” The cited passage of Davis merely discloses that search listing changes and modifications are processed substantially in real time to support the online bidding process. But, Figure 8 of Davis checks for an advertiser request to update a bid, so Davis does not disclose a system that automates checking for

exception conditions to, after adjusting a bid amount, to return a search listing to the search engine unchanged. Furthermore, the below-referenced Fraser reference does not fill the gap, which discloses that a participant can manually select a key on a keypad to undo a trade, column 17, lines 32-34, so there is nothing automated about its functions and is certainly not “configured to identify exceptions conditions.”

Claim 9-12, 22, and 40-43 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Davis and Konia, further in view of U.S. Patent No. 6,560,580 (“Fraser”). Fraser fails to fill the gap in disclosure by Davis and Konia, and therefore, claims 9-12, 22, and 40-43 are patentable by virtue of their dependency from claims 1 and 37, respectively. For instance, Fraser does not disclose how a tie condition is handled, e.g., by incrementing a bid amount (claims 1, 37) or leaving the bid amount unadjusted if adjusting the respective bid amounts produces an adjusted rank that is below the requested rank because of the tie condition (claims 12, 43). For at least these reasons, claims 10-12 and 41-43 are patentable over Davis, Konia, and Fraser, alone or as combined.

Claim 9 recites “if processing an adjusted bid amount for a selected search listing produces no rank change, leaving the bid amount unadjusted.” The Office Action cites to Fraser, column 17, lines 30-38, and column 17, line 47 to column 18, line 13 for this feature. The undo function referred to in the Office Action that Fraser discloses, however, is the ability to manually select a key on a keypad that can undo a trade as mentioned above. There is no computer system in Fraser that automates looking for a trigger such as “if processing an adjusted bid amount for a selected search listing produces no rank change” to leave the bid amount unadjusted on behalf of an advertiser. That is to say, it is a participant in Fraser that makes a subjective decision to undo a trade, for whatever reason, and selects the key on the keypad to “roll-back” execution during a trade state. The participant directly makes this decision, which is very different from the recited claim. Claim 9 is patentable over the cited art for at least this additional reason. Claim 41 is likewise patentable for at least the same reason.

Claim 22, which depends from claim 1, recites “if a selected search listing is a grandfathered search listing and if adjusting the respective bid amount for the grandfathered search listing produces an adjusted rank that exceeds the desired rank, leaving the bid amount unadjusted.” The term “grandfathered” for a search term is introduced and referenced in the Applicants’ Application at least on page 3, line 16, and on page 11, line 27. No such term or meaning for a term is disclosed in Davis or Konia, which both, alone or as combined, fail to disclose or suggest the features of claim 22. Furthermore, Fraser does not fill the gap in disclosure for at least the same reasons disclosed above with reference to claims 9 and 48. Claim 22 is patentable for at least these additional reasons.

Conclusion

Claims 1, 15-16, 19, 37, and 44-45 have been amended. Based on the above remarks, all pending claims are submitted to be patentable over the cited art, and thus in condition for allowance. If a telephone interview can expedite issuance of a notice of allowance, e.g., to clarify the claims or the perceived scope of the cited art, the Examiner is invited to contact the undersigned.

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